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**FISCAL IMPACT STATEMENT**

**LS 7195**

**BILL NUMBER: SB 410**

**NOTE PREPARED: Jan 1, 2011**

**BILL AMENDED:**

**SUBJECT:** Transfers from School Capital Projects Fund.

**FIRST AUTHOR:** Sen. Rogers

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**      **GENERAL**  
                                 **DEDICATED**  
                                 **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill permits a school corporation to transfer in 2011 and 2012 an amount not to exceed 50% of its Capital Projects Fund levy from its Capital Projects Fund (CPF), to its General Fund (GF).

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill could increase the GF revenue and decrease the revenue for CPF. The CPF levy for CY 2010 was about \$755.4 M and \$754.8 M for CY 2009. Schools would be able to transfer about \$377 M from CPF to GF. The average transfer could be up to \$384 per student with a range between \$78 and \$1,063 per student.

*Background:* CPF is used for any school facility, other than a facility used or to be used primarily for interscholastic or extracurricular activities with certain exceptions. The fund can be used for the following;

1. Planned construction, repair, replacement, or remodeling.
2. Site acquisition.
3. Site development.
4. Repair, replacement, or site acquisition that is necessitated by an emergency.
5. With specific exceptions, money in the fund may not be used to pay for:

- a. planned construction, repair, replacement, or remodeling;
  - b. site acquisition;
  - c. site development; or
  - d. repair, replacement, or site acquisition that is necessitated by an emergency; of a facility used or to be used primarily for interscholastic or extracurricular activities.
6. Money in the fund may be used to pay for the construction, repair, replacement, remodeling, or maintenance of a school sports facility. However, a school corporation's expenditures in a calendar year under this section may not exceed five percent (5%) of the property tax revenues levied for the fund in the calendar year.
7. Purchase, lease, repair or maintenance of equipment to be used by the school corporation (other than vehicles to be used for any purpose and equipment to be used primarily for interscholastic or extracurricular activities).
8. To purchase, lease, upgrade, maintain, or repair computer hardware, computer software, or computer hardware and software. Wiring and computer networks. Communication access systems used to connect with computer networks or electronic gateways.
9. To pay for the services of full-time or part-time computer maintenance employees.
10. To conduct nonrecurring in-service technology training of school employees.
11. To fund the payment of advances, together with interest on the advances, from the common school fund for educational technology programs.
12. To fund the acquisition of any equipment or services necessary: to implement the technology preparation curriculum; to participate in a program to provide educational technologies, including computers, in the homes of students (commonly referred to as "the buddy system project"), the 4R's technology program or any other program under the educational program.; or to obtain any combination of equipment or services.
13. Purchase building sites; buildings in need of renovation; building materials; and equipment by vocational building trade classes to construct new buildings and to remodel existing buildings.
14. Leasing or renting of existing real estate, excluding payments.
15. To pay for services of school corporation employees, that are brick layers, stone masons, cement masons, tile setters, glaziers, insulation workers, asbestos removers, painters, paperhangers, drywall applicators and tapers, plasterers, pipe fitters, roofers, structural and steel workers, metal building assemblers, heating and air conditioning installers, welders, carpenters, electricians, or plumbers as these occupations are defined in the U.S. Department of Labor, Employment and Training Administration,
  - a. The employees perform construction of, renovation of, remodeling of, repair of, or maintenance on the facilities and equipment.
  - b. The school corporation's total annual salary and benefits paid by the school corporation to employees described are at least six hundred thousand dollars (\$600,000); and
  - c. The payment of the employees described is included as part of the proposed Capital Projects Fund Plan. The number of employees covered by IC 20-40-8-16 is limited to the number of employee positions described in this section that existed in the school corporation on January 1, 1993.
  - d. To pay for energy savings contracts under IC 36-1-12.5.
16. Money in the fund may be used to pay for up to one hundred percent (100%) of the following costs of a school corporation: (1) Utility services. (2) Property or casualty insurance. (3) Both utility services and property or casualty insurance. A school corporation's expenditures under this section may not exceed in 2010 and in 2011 three and five-tenths percent (3.5%) of the school corporation's 2005 calendar year distribution.

Expenditures from the fund are based on a 3-year plan updated annually by the school board. The plan would be subject to the maximum property tax rate for the school corporation. The maximum rate varies by school corporation.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Local Schools.

**Information Sources:** Department of Local Government Finance database.

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